

**ACCOUNTING EXAMINING BOARD  
MINUTES  
MADISON, WISCONSIN**

**PRESENT:** Frank Probst, Roman Jungers, Jim Johnson, Sharon Hamilton, and Thomas Kilkenny

**EXCUSED:** Frederick Franklin

**STAFF PRESENT:** Alfred Hall, Bill Dusso Jan Neitzel; Jan Bobholz and Darwin Tichenor were present for portions of the meeting.

**GUESTS:** LeRoy Schmidt-WI CPA

**CALL TO ORDER**

The meeting was called to order at 9:02 a.m. by Frank Probst, Chair. A quorum of 5 members was present.

**AGENDA**

**MOTION:** By consensus, the Board approved the agenda as published.

**MINUTES (May 12, 2000)**

**MOTION:** Roman Jungers moved, seconded by Jim Johnson, to approve the minutes as written. Motion carried unanimously.

**ADMINISTRATIVE REPORT**

**Secretary Cummings' Report**

- Board Member Workshop

Secretary Cummings stated that the Board Member Workshop was a great success, with many board members exchanging professional information.

Secretary Cummings stated that legislators recommend that bill items are submitted separately to help eliminate all parts being

- Ethics board Opinion: Board Member Testifying as an Expert Witness

The Board discussed Bill Dusso's memo dated July 13, 2000, advising that a Board member in the Department should not agree to serve as an expert witness in a judicial matter without first obtaining an opinion from the Ethics Board that the particular case would not result in a violation of the Ethics Code.

John Becker, Ethics Board, can be contacted for further information at (608) 266-8123.

Mr. Dusso stated that any public official may request an opinion from the Ethics Board. The Ethics Board will write down the guidelines. However, if these guidelines are not followed, the person can be penalized by the Ethics Board.

The Board requested that an invitation be extended to Mr. Becker to attend the October 6, 2000, meeting to discuss expert witness issues relating to board members.

## **Bureau Directors Report**

- Board Roster/ 2000 Final & 2001 Proposed Meeting Dates

Sharon Hamilton changed her E mail address on the roster.

The Board accepted the 2001 proposed meeting dates.

**MOTION:** Sharon Hamilton moved, seconded by Tom Kilkenny, to accept the 2001 proposed meeting dates. Motion carried unanimously.

- Regulatory Digest

Alfred Hall reported that the Regulatory Digest will have a summary of all actions by the Board since the last Digest. The Digest will also include information on the UAA, reappointments, examinations, and ethics.

- Applications Reviewed

The following applicants for public accounting were issued a credential, pursuant c/o staff delegation. Applicants applied, based on examination, transfer of credit from another state (identified by #) and endorsement of license from another state (identified by \*).

### **FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT**

#### **1. Approved – 69**

ARENDT, INGA M 07/27/2000  
BLOCK, KELLY 05/25/2000  
BONIN, TIMOTHY M 07/14/2000  
BRECKENFELDER, CHERYL L 07/14/2000  
CARLSON, MIRANDA A 08/04/2000  
CLARK, KELLI E 08/04/2000  
CORNISH, JAMES S 06/09/2000  
DAY, ROBERT J 07/27/2000  
DINKELMAN, TIMOTHY A 08/04/2000  
DUEHR, DAVID M 05/25/2000  
EIDEN, KEVIN L 05/17/2000  
ERSIG, JEFFREY J 05/18/2000  
FRYE, LEIGH M 08/14/2000  
FUERST, ANTHONY J 08/04/2000  
GAY, DAVID W 08/11/2000  
GLASPY, ELIZABETH A 06/05/2000  
GOKEY, SCOTT R 07/14/2000  
GREENWOOD, TARA M 08/04/2000  
GULLICKSON, LAURA M 07/05/2000  
GUSTAFSON, NICOLE A 08/04/2000  
HAINES, RYAN A 08/14/2000  
HECKMANN, LORA L \* 08/04/2000  
HERMAN, MICHAEL L \* 06/21/2000  
HERRELL BUCHHOLZ, LAURA J 06/21/2000  
HO, THOMAS MC 05/18/2000  
JANASIK, MAXIMILLIAN P 08/04/2000  
JOHANSEN, TINA H 08/04/2000  
JOHNSON, RENEE M 08/07/2000

JONES, MICHELE A 07/14/2000  
KAUTZ, RYON R 06/02/2000  
KEENAN, JACOB C 08/04/2000  
KELSEY, MICHELLE M 06/21/2000  
KERWIN, STACY L 07/27/2000  
KORMAN, JEFFREY W 06/16/2000  
LANGE, BRIAN A 08/04/2000  
LANGWORTHY, MARK R 07/14/2000  
LUND, REBECCA S 08/14/2000  
MCCUE, WILLIAM M 06/21/2000  
MCGINN, CARLA L 05/18/2000  
MCLAUGHLIN, SHEILA A 08/04/2000  
MEINHOLZ, DARYL J 06/09/2000  
OGRADY, TIMOTHY J 08/14/2000  
OONK, JEFFREY A 07/05/2000  
PAHL, CHRISTOPHER J 07/14/2000  
PAPPAS, LAURA A 07/14/2000  
PLICHTA, MARK T 08/15/2000  
PRITZL, KIM M 08/04/2000  
PETERS, TESSA M 07/27/2000  
ROBETS, GEORGE W\* 06/02/2000  
ROEDER, SUSAN L\* 07/06/2000  
ROSEN, JON B\* 06/01/2000  
SCHMIDT, NANCY K 07/14/2000  
SCHRAUFNAGEL, LISA ANN # 06/14/2000  
SCHUELLER, PETER F 07/14/2000  
SCHUH, JUDY L 05/25/2000  
SERVAIS, BRADLEY D 08/04/2000

SLOWIK, DANIEL D 06/21/2000  
SMITH, SCOTT E \* 07/19/2000  
SOVITZKY, RICK 08/09/2000  
STERNARD, AMY S 08/14/2000  
SURALIK, MARGARET F\* 07/14/2000  
TINGWALD, CAROLYN I 07/14/2000  
VOIKU, DONNA M 08/14/2000

VREDENBURG, PAUL A 06/01/2000  
WALDVOGEL, CHAD M 07/19/2000  
WELLER, DAVID P 07/27/2000  
WILSON, GLADYS R 07/05/2000  
WITTKOWSKE, PAUL A 06/02/2000  
WORZALLA, TAMARA L 07/27/2000  
YARRINGTON, LORI L 06/02/2000

- To Pass Folder

Information was circulated in the To Pass Folder and duly noted.

## **LEGISLATIVE ISSUES**

### **1999 Senate Bill 389**

Alfred Hall reported that Senate Bill 389 needs to be resubmitted in the next legislative session. Bill 389 repeals the authority of the public accountant and eliminates educational requirements for applicants who applied for a certificate as a certified public accountant before June 1, 1968. Bill 389 needs to be repealed to reflect current requirements.

## **STRATEGIC PLANNING**

### **Discussion of the Uniform Accountancy Act-UAA Exposure Draft, Third Edition, Revised**

LeRoy Schmidt, WICPA, reported drafting the legislation and surveying the profession for support and opposition to the exposure draft is in process. Sponsors will be solicited after the November election.

### **Comparison of Model Code of Conduct and Wisconsin Statutes and Code**

Bill Dusso, Board Legal Counsel, explained the table comparing the proposed Model Code of Conduct, current Wisconsin law, and existing principles of the AICPA professional conduct.

Mr. Dusso stated that the broad principles are important, the fundamental principles are not enforceable in a disciplinary matter, and there are some areas where a review of the rules is needed. There are areas in the rule on independence where there is not enough clarification, providing it is justified, a departure from the standard is needed.

Frank Probst stated that the Board's rules are part of state law and are not as lenient as NASBA/AICPA principles and recommended a review of the state code.

Bill Dusso will try to identify Wisconsin rules that need to be updated for the October 6, 2000, meeting.

## **NASBA**

### **Communications**

The Board received a copy of the August 3, 2000, memo from David Costello, President of NASBA, relating to communications. Noted.

The Board will discuss communications under "comments on exposure draft," 7c.

### **Interstate Practice Matrix**

The Board noted the purpose of the Interstate Practice Matrix is to implement the reciprocity provision.

## **Comments on Exposure draft of the Revised AICPA/NASBA Joint CPE Standards**

The Board received a copy of the “Exposure Draft-Statement on Standards for Continuing Professional Education.” Noted.

## **Discussion Memorandum of the Task Force on Regulation of Alternative Practice Structures** **Comments**

The Board discussed the following items relating to the memorandum of the task force on regulation of alternative practice structures:

- a. State boards regulating all aspects of the work by accountants or specific areas.
- b. The task force is committed to establishing appropriate regulatory authority over alternative practice structures.
- c. The premise of the task force is to regulate alternative practice structures in order to encourage the independence of the individuals within those structures.
- d. Anyone does attest services should be precluded from providing non-attest services

The Board discussed the task force and concluded that as a state board they are committed to controlling licensed individuals who perform attest services.

Jim Johnson will have information on alternative practice structures for the October 6, 2000, meeting.

## **Comments on Proposed SEC Rule on Independence**

Tom Kilkenny explained that the SEC has proposed some rules that would restrict the scope of practice of a firm that provides the audit to a SEC company. A number of consulting services that are now regularly provided by firms, would be precluded and would prohibit them from providing internal audit services.

Mr. Kilkenny stated the position of the SEC is based on the appearance of independence. If an accountant does many of the consulting services, mutuality of interest is established, which a client may think is independent of the audit. Mr. Kilkenny states there is no proof of a faulty audit ever being done because the firm was also providing consulting services. If the SEC rule is approved, firms will only be able to do audits.

Frank Probst stated that under the SEC proposal the end result of an auditing firm providing only one of the services could compromise the audit standards in favor of expanding to another area that would expand their revenues and would increase the cost to the public for audits.

LeRoy Schmidt, WICPA, stated that the SEC proposal is the greatest threat to the accounting profession in history and would cause the demise of the CPA profession.

**MOTION:** Sharon Hamilton moved, seconded by Jim Johnson, to request that Frank Probst send a letter to the SEC expressing the views of the Board. Motion carried unanimously.

Frank Probst will draft a letter to the SEC stating that the Board believes the main issue to be that non-licensed accountants are using the SEC to maintain a privileged position.

Jim Johnson will take the Board’s comments to the annual meeting, relating to the SEC. The comments are due September 25, 2000.

## **Comments on Self Regulation Organization**

The Board agreed that there is not enough information to make a decision and requested that more information be supplied.

Alfred Hall will have the information from the regional meeting for the October 6, 2000, meeting.

Frank Probst will be the Board contact for information relating to SEC proposed changes.

## **AICPA**

Nothing to report.

## **EXAMINATION ISSUES**

### **Response to 11/99 FARE Scoring Error**

The Board was satisfied with the explanation of the FARE scoring error as explained in the May 5, 2000, letter from Craig N. Mills, AICPA.

### **Examination Issues**

- NASBA Examination Committee's Recommendation for AICPA Structure RE: Uniform CPA Examination

The Board discussed the proposal submitted by NASBA requesting endorsement from the state boards to support that the board examiners of the AICPA be composed of equal representation by AICPA and NASBA members.

**MOTION:** Sharon Hamilton moved, seconded by Roman Jungers, to support equal representation by AICPA and NASBA on the Board of Examiners, committees, sub-committees, and task forces. Motion carried unanimously.

- Liaison Resolution

The Board discussed the pros and cons of NASBA representing the Board in negotiations with the AICPA. The Board agreed that this will be accomplished with the AICPA having equal representation on the Board of Examiners.

- Ballot for Advisory Vote

The Board received a copy of the August 2, 2000, letter from David A. Vaudt, Examinations Committee, relating to the ballot for the advisory vote.

- Fee Change

The Board discussed the increase of test fees by the AICPA to cover the cost of the deficit created by the development and initiation of the computerized test.

- Final Report of the Conduct of a Feasibility Study for a Computerized Uniform CPA Examination

Darwin Tichenor reported that the computerized examination will be a two-day exam consisting of multiple choice questions and 4 separate sections of computer simulations, each lasting one and on-half hours. Mr. Tichenor stated that the first day of tests will be ready by 2003. The second day of tests will not be ready by 2003. Both days of testing do need to be ready at the same time to make the computer test feasible.

### **Statutes and Rules Impacted by Change from Written to Computer Administered Examination**

Darwin Tichenor explained that some statutes and rule changes will be needed prior to administration of the computer examination in Wisconsin.

### **General Correspondence**

The Board noted receipt of the following:

- a. A letter dated July 3, 2000, from Patti L. Franz, the California Board of Accountancy relating to the November 2000 Uniform CPA examination.

- b. A letter dated June 26, 2000, from Craig Mills, AICPA, relating to Loomis Fargo.
- c. A letter dated May 22, 2000, from William Treacy, Texas State Board of Accountancy, relating to security during the administration of the exam.
- d. A letter dated April 27, 2000, from Harold L. Russell, Oklahoma Accountancy Board, relating to the resignation of Nathan T. Garrett, Chairman of NASBA's Examination Committee.
- e. A letter dated April 27, 2000, from Harold L. Russell, Chairman, Oklahoma Accountancy Board relating to the resignation of Carol Sigmann, Joint AICPA/NASBA.

### **BOARD MEMBER ACTIVITY**

Tom Kilkenny reported that the regional meeting in Naples, Florida June 7 – 9, 2000, was informative. Mr. Kilkenny stated that many of the issues that the Wisconsin Accounting Board is working on is also being worked on in other states

### **PRACTICE ISSUES**

#### **Contingency Fee Agreements by Wisconsin CPAs**

Bill Dusso explained his response to Mr. Rocky Cummings, Multistate Tax Services, stating that contingency fees cannot be accepted when doing attest services for the same client in Wisconsin. If attest services are performed in a state other than Wisconsin, the rules for that state need to be verified.

#### **Use of "& Associates in Firm Name,"**

The Board discussed the June 5, 2000, memo from Walter D. Smith, CPA, relating to name relief and recommended adding "name relief for sole proprietors" to a future agenda.

#### **Accreditation of Pensacola Christian College**

Pensacola Christian College is not accredited by the Wisconsin Accounting Board. The applicant is denied his request to sit for the Wisconsin accounting exam for this reason.

#### **Individual Registration Requirements for Non-Resident Partner**

Noted.

Alfred Hall will include an article in the Regulatory Digest relating to individual registration requirements for a non-resident partner.

### **NEW BUSINESS**

None.

### **RECESS TO CLOSED SESSION**

**MOTION:** Sharon Hamilton moved, seconded by Tom Kilkenny to convene the meeting in Closed Session pursuant to Sections 19.85(1)(a), (b), and (f), Wis. Stats., to consider the licensing or discipline of a person licensed by the Board or the investigation of charges against such a person. Specifically, to discuss the issue of case status reports, case closings, monitoring issues, reinstatement requests,

examination issues, deliberations on stipulations that may be signed after printing of the agenda, pending applications, and disciplinary proceedings. Motion carried unanimously by a roll call vote: Sharon Hamilton-yes; Jim Johnson-yes; Roman Jungers-yes; Tom Kilkenny-yes; Frank Probst-yes.

Open Session recessed at 12:55 p.m.

### **CLOSED SESSION**

The Board received a copy of the Division of Enforcement Case Status Report.

The Board deliberated on pending applications and an administrative warning.

### **RECONVENE IN OPEN SESSION**

By consensus, the Board reconvened the meeting in Open Session at 1:10 p.m. Motion carried unanimously.

### **VOTING ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION**

#### **ADMINISTRATIVE WARNING**

#### **James Frederick Wokosin, CPA (Adams, WI)**

**MOTION:** Jim Johnson moved, seconded by Sharon Hamilton, to issue an Administrative Warning to James Frederick Wokosin, CPA. Motion carried unanimously.

#### **APPLICATION REVIEW**

**MOTION:** Roman Jungers moved, seconded by Sharon Hamilton, to approve the following applications reviewed on August 18, 2000. Motion carried unanimously.

#### **FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT**

Applicants applied based on examination, transfer of credit from another state (identified by #) and endorsement of license from another state (identified by \*).

#### **1. Approved 69**

APFELBECK, HEATHER K  
BACON, TIMOTHY K  
BARK, MICHAEL A  
BATES, JULIE G  
BERGSTROM, KELLY L  
BIES, JULIE A  
BOETTCHER, SHERI L  
BORCHARDT, CHRISTIAN J  
BRICKNER, BRANDON T  
BUDDENHAGEN, STEVEN R  
BURNS, JONATHAN R  
CHABOT, DANA C \*  
CHMURA, TARA JAY #  
CHRISTENSON, JULIE A  
DEPIES, DANIEL S  
DILLE, GEOFFREY W  
DOCHERTY, MICHAEL D

MATTES, JEFFREY M  
MATTSON, KIRK  
MEEHL, PAULA L  
MOREAU, JON P  
    NAVARRO, SILVIA Y  
NOVINSKI, MICHELLE L  
    OPSTEEN, FAITH A  
PETERSON, LOREN S  
PLATTEN, CHRISTOPHER E  
PROSE, DAVID E \*  
    RIORDAN, KEVIN F \*  
RUSCH, KEVIN T  
    SALO, LISA M  
SCHILLING, CHRISTOPHER E  
SCHILCHER, HEATHER J  
SCHMIDT, KAY F  
SCHRIMPF, JAMES G

DREIFUERST, THOMAS A  
EDDINGSAAS, RUTH L  
EVANS, TRILISE E  
FALKOWSKI, KEITH A  
GAY, BRADLEY J  
GRONBACH, MARY E  
GUSTUS, MICHELE L  
HAAKENSEN, SHERRY R  
HELM, SCOTT J  
HORN, BONNIE L  
HUDZ, NILTJE M #  
IHM, RITA K  
JACOBS, AMANDA M  
KADOW, JASON R  
KLEIN, RUSSELL G  
LARSON, KRISTI M  
MALACZYNSKI, BONNIE C  
MATLOCK, MONICA G

SCHROEDER, KIMBERLY L  
SHUBS, SOFIA  
SHUFELT, DAVID B  
SIMON, CYNTHIA A  
SMITS, JEFFREY K  
STIBBE, ROBIN A  
THURSTON, KARA E  
VANDYKE, NANCY M  
VENASKA, RUSSELL T  
WAGNER, VERONICA A  
WEISBROD, ALISA A  
WERNSMAN, EILEEN M  
WOJAHN, JEFFREY D  
WOLF, JUDITH A  
ZUR, SHANNON  
ZWYGART, CHRISTOPHER C #

**MOTION:** Sharon Hamilton moved, seconded by Jim Johnson, to issue an intent to deny and request additional information on the following applications. Motion carried unanimously.

Intent to deny-# 1

EFFENHEIM, JOHN A

**MOTION:** Sharon Hamilton moved, seconded by Roman Jungers, to deny the following applications.

Deny-#3

FOCHS, JOSEPH G  
FREUCK, JEAN M  
MEYER, LISA J

#### ADJOURNMENT

**MOTION:** Roman Jungers moved, seconded by Sharon Hamilton, to adjourn the meeting at 1:13 p.m. Motion carried unanimously.